



JUSTICE ADMINISTRATION DEPARTMENT

HARRIS COUNTY, TEXAS

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Memorandum

To: Members of Commissioners Court
From: Jim Bethke, Director
Date: July 23, 2020
Subject: Community Engagement Budgeting Project Scope and Report Outline

Research Scope: On June 9, Commissioners Court approved a motion made by County Judge Lina Hidalgo instructing the Justice Administration Department (JAD) and PFM to develop a process for meaningfully engaging the community in the current budgeting evaluations for all criminal justice departments funded by Harris County.

Purpose of Memo: This memo complies with the request by Commissioners Court to provide with the following information 45 days after the passage of the motion:

- 1) research methodology and limitations,
- 2) preliminary findings,
- 3) next steps to complete the report and analysis, and
- 4) additional resources needed to expedite the research and writing process.

Report Methodology: The final report will describe and compare best practices from other jurisdictions related to community-engaged budgeting. The findings in the report will be gathered through 1) the review and comparison of how model jurisdictions implement community engagement strategies, 2) training material used by model jurisdictions regarding the budget process, 3) recommended guidelines for meaningful community engagement, 4) analysis of budget cycles that accommodate public participation, 5) public-facing documents and describing metrics on budget outcomes and approaches, 6) qualitative evidence of desired budgeting outcomes that use community engagement to determine resource allocation, 7) interviews and email correspondence with agency officials, budget directors, community groups, and audits and outside reviews of such processes. This information will inform JAD's recommendations to the Commissioners Court on the feasibility of implementation of incorporation meaningful community engagement strategies to guide the Harris County's budgeting process.

Research Limitations: We have identified two models for community-engaged budgeting to highlight; 1) Participatory Budgeting and 2) Budgeting For Outcomes. For the report, we will focus on six jurisdictions that employ one of these models. There are cities implementing aspects of community-engaged budgeting; however, the jurisdictions we selected were chosen because they use the most comprehensive and innovative community-engagement approach to budgeting.

A primary limitation will be the lack of clarity regarding the future allocation of funds to this body of work. All of the models we reference require a funding commitment of various levels. Our preliminary recommendations will be provided in the absence of budgetary constraints. Additionally, it is outside of JAD's scope of work to identify existing sources of funding for reallocation to a more comprehensive budgeting process.

Finally, many community engagement models traditionally rely on in-person engagement. In light of COVID-19 and the importance of following social distancing, in-person meetings will have its challenges.

Current Budget Cycle: The budget process and timeline discussed below for the upcoming fiscal year is an approximation and subject to change based on budget reforms that are currently being worked on, changes in the Budget Department leadership, Commissioners Court mandates, and events taking place regarding the COVID-19 Pandemic.

In August and early September, County departments receive budget forms from the Harris County Budget Management Department (BMD) asking for information including department activities, descriptions for key functions, and budget requests and justifications for the next fiscal year. These forms are due back to BMD in early November to be compiled into budget books that are distributed to Commissioners Court members and their staff. Budget hearings then take place over three days in December, with each department afforded the opportunity to present their needs, submit requests, and answer questions from Commissioners Court. Working with Commissioners Court offices, a preliminary budget is put together based on the revenue estimate provided by the Auditor's Office. This preliminary budget is presented in January to Commissioners Court for additional changes that the Court requests. In early February, the budget is finalized and voted on by the Court.

Previous Community Engagement Efforts: In the months before the August 25, 2018 bond election, the Flood Control District hosted 23 Community Engagement Meetings for each of Harris County's watersheds, to gather public input about potential projects. The meetings were attended by approximately 3,800 residents, as well as public officials and other interested parties, and resulted in 38 additions to the list of flood damage reduction projects – 237 projects in all – that could be funded with bond proceeds, as well as, hundreds of other useful comments and requests for service.

Models for Community-Engaged Budgeting: In this memo, we explore two budgeting models that focus on increasing community engagement in the budgeting process.

- **Budgeting for Outcomes (BFO):** This is a model based on collaboration, transparency, and delivering the services that matter most to citizens. BFO starts with a set of results, identified and prioritized by the community, and requires City administrators and agencies to work collaboratively to achieve the outcomes in a cost-effective and efficient manner.
- **Participatory Budgeting (PB):** This is a public engagement model utilized by jurisdictions that integrate community engagement within the regular budgeting process. The method provides the public with opportunities to participate in direct decision-making authority over the budgeted amount of funds.

Best Practices:

Budgeting for Outcomes

- Critical to the Budgeting for Outcomes model is the initial community engagement. This engagement should result in clear priority areas and desired results that the future budget should be responsive to.
- County administrators during the budget process submit "offers" that outline how they can achieve the desired results. Their offers identify the scope of work, success indicators, and competitive costs.

Participatory Budgeting

- Per the Participatory Budgeting Project, the process typically follows these steps:
 - Design of the process
 - Brainstorm of ideas
 - Develop a proposal
 - Vote
 - Fund winning projects
- Similar to BFO, community engagement is critical to this process. Members of the community must lead each component of the process with the support of the local jurisdiction.
- PB allocates funds that have not been committed, usually discretionary funds. Most processes use between 1-15% of their local city budget. For larger municipalities, \$1 million per 100,000 residents is recommended, so that that invitations to participate are compelling.

Model Jurisdictions: For purposes of this memo, we looked at the following jurisdictions: New Orleans, Baltimore, Ramsey County, Chattanooga, New York City, and Austin. These jurisdictions were selected to demonstrate the various types of models utilized to engage the community in the budgeting process. The chart on pages 6-7 provides a snapshot of each jurisdiction's funding allocations, specific engagement process, budget priorities, and sources of funding.

We have chosen to highlight specific practices from the jurisdictions that we believe would be useful in Harris County.

Education and Engagement: Most of the budgeting models provide very little information about the education and assessment of the baseline knowledge level of residents regarding the budget process. However, we've found that education of the existing budgeting process is a valuable step to empowering community engagement in budget decisions. For example, in New Orleans' Budgeting for Outcomes process, they utilized a crowd-sourced effort to gather data-driven insight into the budgetary priorities of New Orleans residents. This budget simulation allowed for residents to gain cursory knowledge of the existing budget process and also prioritize budget expenditures based on their priorities. New Orleans also targeted populations that typically are excluded from the voting process. In addition to their simulated engagement, there is also an accessible "budget breakdown" tool made available to the public. The tool is meant to provide an answer to the simple question, "where does the money go?", providing a layer of transparency about appropriations, expenditures, and who controls certain funds. This entire process is led by a non-profit organization that works with and on behalf of the community to solicit their feedback and also share that feedback with elected city leadership during the budget season.

Implementation: Beyond community engagement in the prioritization of outcomes, one County provides some insight into how to leverage funding to provide decision making power to members of the community. Ramsey County has recently established a model that equitably distributes power to allocate funding across county leadership and community stakeholders. Guided by the Haywood Burns Institute's Structural Well-Being approach to governing¹, Ramsey County established the Transforming Systems Together initiative, which establishes a board of community members and Ramsey County administrators whose goal is to rethink how the County delivers services and invests in the community. As part of the Participatory Budgeting process, the County dedicated specific funds to this body of work and delegated decision-making authority to those funds. The group of leaders overseeing the allocation of funds has equitable decision-making power over funding allocation. This is a newly started initiative as of June 2020; however, the board has received an allocation of funding for 2020 (\$2M) and 2021 (\$3M).

Recommended Next Steps: Our initial research on this item indicates that as County Commissioners weigh the options about how to increase engagement in the budget process, they should consider: short-term versus long term goals and desired outcomes, the amount of funding that could be dedicated to the efforts, and the timeline for implementation. JAD will continue to provide needed research and recommendations on these areas moving forward so that these questions can be answered. The final report will focus on identifying key practices, and the context in the jurisdictions that are

¹ The Structural Well-Being Approach is a new initiative of the Haywood Burns Institute focused on partnering with jurisdictions to address the well-being of residents.

implementing desired components of community engagement inside of their budget process lay out a strategy for the collection of feedback from community stakeholders on their current level of awareness regarding the budget process and potential models, and the high-level timeline for next steps.

Relevant County departments to include in the writing process of the report will be the Budget Management Office as well as any other County department considering implementation of initiatives that focus on equity and inclusion.

Moving forward, we will jointly:

- Summarize the current budget process and describe how the community is included.
- Identify the baseline of the communities' knowledge of the budgeting process.
 - The proposed methods of research include surveys, small focus groups, and interviews. This information will help identify existing gaps in communication regarding the current budget process versus the desired outcomes of budget allocations.
- Complete interviews with stakeholders in select jurisdictions.
 - We will work to understand the context for their implementation, key steps in the development of their budget process that involve community engagement, lessons learned, and recommendations for implementation.
- Develop recommendations on the next steps and in phases.
 - The recommendations will include the proposed strategy and methods for disseminating information about the budget process to the public and soliciting their feedback and a proposed high-level timeline for implementation upon approval of Commissioners Court.

While this report will focus on increasing community engagement in the budget process as it relates to criminal justice funded activities, we also recognize the implications that this item could have on the overall budget.

Additional Resources Needed to Expedite the Research and Writing Process

Continue to work with members of the County Judge's Office, Budget Management Office, and PFM in the development of this report.

Comparison of Community-Engaged Budgeting Jurisdictions

City	Type	\$	Source Funds	Engagement Strategies	Budgeting Priorities/Results Areas
New Orleans, LA	BFO	\$895M	Capital improvements, general funds, grants, and discretionary funds	Telephone town halls, listening tours, Textizen and Everbridge (texting platforms), social media, Big Easy Budget Game, and ReConnect NOLA. It is unclear how community feedback is quantified to help prioritize key results	Public Safety & Preparedness, Children and Families, Economic Development and Opportunity, Sustainable and Resilient Communities
Baltimore, MD	BFO	\$2.9B	General and discretionary funds	They have just started formalizing equity in their budget. Engagement efforts are still in the infancy stage. OutcomeStat established as ongoing engagement.	Better Schools, A Growing Economy, Safer Streets, Innovative Government, Stronger Neighborhoods, A Cleaner City, and A Healthier City.
Chattanooga, TN	BFO	\$263.8M	General funds	The visuals produced from tallied feedback during the public input sessions easily convey the areas that citizens were most interested in. Departmental results teams make "offers" that are ranked and funded based on best alignment with the citizens' top priorities. The process of selecting departmental offers is not provided.	Safer Streets, Growing Economy, Stronger Neighborhoods, Smarter Students Stronger Families, and High Performing Government
Ramsey County	*PB	\$3M	Discretionary funds (budget reallocation)	Shared decision-making initiative. Appointed 9 Community representatives and 9	Just launched in 2020

			and tax income)	county administrators to jointly identify and fund projects based on community needs. Shares decision making around priorities, approaches, budgets, and program design with the community at the table as an equal voice	
New York, NY	PB	\$40M		Facilitated through NYC City Council. Committees work to build out a framework and rules. They are targeted residents with the highest barriers to civic engagement. Outreach Plans are developed by the committees. Eligible voters: residents 11 years+	Varies each year. Based on the developed proposals.
Austin, TX	BFO	\$4.2B	Capital Improvements and General Funds.	Facilitated through Austin City Council. WeFund, WebEx video conferencing, virtual town halls, and Austin Finance Online. (New Digital Imagine Austin Annual Report)	Economic Opportunity and Affordability, Mobility, Safety, Health and Environment, Culture and Lifelong Learning, and Government That Works For All. Tackling COVID-19 and Public Safety are the priorities for the upcoming fiscal year.